

MINUTES
SANDY CITY COUNCIL MEETING
Sandy City Hall - Council Chamber Room #211
10000 Centennial Parkway
Sandy, Utah 84070

October 14, 2008

Meeting was commenced at **7:00 p.m.**

PRESENT:

Council Members: Chairman Scott Cowdell, Vice Chairman Stephen Smith, Bryant Anderson, Steve Fairbanks, Chris McCandless, Linda Martinez Saville, and Dennis Tenney

Mayor: Tom Dolan

Others in Attendance: CAO Byron Jorgenson; Assistant CAO Scott Bond; Community Development Director Mike Coulam; Public Utilities Director Shane Pace; Public Works Director Rick Smith; Economic Development Director Randy Sant; Economic Development Assistant Kasey Dunlavy, Deputy to the Mayor John Hiskey; Community Events Director Mearle Marsh, Sandy Chamber President Nancy Workman, Council Office Manager Pam Lehman, Council Executive Secretary Wendy Densley

ABSENT/EXCUSED:

Council Office Director Phil Glenn [vacation]
City Attorney Walter Miller

1. OPENING REMARKS/PRAYER/PLEDGE:

The Prayer was offered by **Assistant CAO Scott Bond**, and the Pledge was led by **Public Works Director Rick Smith**.

2. CITIZEN(S) COMMENTS: [7:04:34 PM](#)

a. There were no Citizen Comments.

4. COUNCIL ITEM(S):

a. Proscenium Overview & Briefing [7:05:02 PM](#)

Discussion: **Scott Cowdell** stated that the purpose of the discussion was to clarify misconceptions the Council may have regarding the Proscenium project. Discussions should be held more frequently to keep the Council apprised on the progress, changes that may require the Council's attention, and to help the Council understand what the developer's expectations are from the City.

Assistant CAO Scott Bond presented the following questions that would be addressed during the discussion: Why are we doing this, the progress to date, an overview of the project, the various phases, what has been asked of the City, revenues from the project, and where do we go from here. He expressed appreciation to Kasey Dunleavy for preparing the power point presentation. **[Ref: Exhibit "A"]**

Curtis Wolthuis expressed appreciation to Staff and the City Council for helping them work through the process on such a large project. He briefed the Council on the progress thus far: rezoning of the property, along with completed/submitted site and master plans. To date the investment from the developer is approaching fifteen million dollars which includes the land acquisitions, architecture and engineering designs, and consultants. A consensus is needed from the Council on the allowed height of the buildings in order for the architectural drawings to be completed for the theater.

Council Discussion

Steve Fairbanks said that he has been involved in the majority of the meetings regarding the

Proscenium project and has a good understanding of what has taken place to this point. He stated that it was helpful to have a discussion with the entire Council. [7:41:35 PM](#)

Chris McCandless stated that he is excited for the project. He sat at the side of the road to visualize in his mind what this structure would look like. He said, "It will be huge". This development will bring "The Other Downtown" to pass. He likes the concept of the project and the way it will be funded. There are many questions still, but from his perspective, the project should continue to move forward. [7:42:16 PM](#)

Stephen Smith clarified that the economic analysis covered all three phases of the project. He asked when the RDA agreement for this area would terminate. [7:43:31 PM](#)

Randy Sant stated that the existing RDA would terminate in the year 2022. However, options are being considered to extend the tax increment for a longer period.

Stephen Smith stated that he would go on record stating that he likes what is being done. What he does not like is the City's operation and ownership of the theater. This project will be a "cash cow", and he would like to see every dollar come into the City coffers. With the downturn in the economy, increased labor and construction costs, the City could be forced to bond or raise taxes in order to fund a Community Center along with the remodel of Alta Canyon Recreation Center, and numerous other projects. He is not certain that it would be in the best economic interest of the City to commit RDA funding in this particular area of the City since it may not bring the results the City is looking to achieve. He questions whether the City should be in the business of operating a theater, and using public monies to do so.

Linda Martinez Saville stated that revenues and jobs will be generated from a project of this size. She has concerns with the size and height of the project, along with the City's financial obligation, not only for the Proscenium, but for all of the other projects the Council would like to see funded in the City.

Bryant Anderson is excited about the project and believes it should be given every chance to be successful. He would like the City to continue working closely with the developer to make certain that they have the City's best interest in mind as they move forward in the process. He asked how the parking requirements would be met. [7:50:39 PM](#)

Mr. Wolthuis stated that the site will be self parked with each of the three phases having their own parking structure.

Mike Coulam noted that the first phase would also include surface parking on the area south of the Post Office.

Bryant Anderson asked the developer the following questions: where the access into the project would be located; what types of arts groups have shown interest, how their potential will be evaluated in meeting their financial obligations, if the project would offer financial aid to various arts organizations, the projected date for construction to begin, if wind turbines were a part of the project, and what percentage of revenues the County would be receiving.

Mr. Curtis Wolthuis stated that the intersection at Monroe and Sego Lily along with Centennial Parkway would be the access into phase one of the project. The final phase of the project would come in from the north. Various arts groups, dance, music, and theater, both at a professional and teaching level, have expressed interest. Leasing commitments would be met through donations to the various users through the 501C3 grant. Since 255,000 square feet of the project is for nonprofit

use, many of the users will pay lower lease rates. The first phase of the project is scheduled to begin sometime this year. Wind turbines along with a green roof are proposed as part of the project.

Randy Sant indicated that he would need to research the study to determine what percentage of revenues the County would receive.

Bryant Anderson asked if they plan on landscaping the area between the building and I-15, and how soon reservations could be taken for a condominium.

Randy Sant said that UDOT owns the right of way and that the City would like to purchase the property.

Curtis Wolthuis stated that under law, reservations cannot be taken for a condo until the plat has been recorded.

Dennis Tenney asked if Mr. Sant would clarify some of Mr. Smith's earlier comments. [7:59:05 PM](#)

Randy Sant stated that Mr. Smith brought up some very valid concerns. One thing, however, the Council needs to keep in mind is that this mixed use project will have the potential to bring significant economic benefits to the community. Caution should be taken as we move forward in the process especially any participation on the City's part. The developer is requesting the City's consideration in leasing the theater and infrastructure costs. Revenues available to the City will be generated from the entire mixed use project. There is much to be done but the work should be allowed to move forward.

Dennis Tenney requested a copy of the power point presentation along with the economic summary on the Proscenium. He asked if the theater would be open the Fall of 2011.

Curtis Wolthuis stated "yes".

Dennis Tenney thanked Mr. Cowdell for his recommendation to have frequent discussions on the Proscenium since this is the largest project that has ever come into the City. He believes when people visit the State they will remember three icons: Temple Square, ReAL Salt Lake, and the Proscenium. He is very excited about the project.

Scott Cowdell stated that he is supportive of the project, but is concerned with the City's participation in the theater. The funding mechanism that has been presented in the study does not seem very clear. He would rather see the city build and lease the theater than be required to produce a lease payment each month. It would not be reasonable for the City to commit to a lease until it has been determined if it will produce a profit for the City. The city would be responsible for drawing a crowd in to support the rest of the project. He would like to see a study done that projects a payback line for the year 2023 when the RDA is completed, to determine where the City would stand and if commitments would be paid back. [8:04:59 PM](#)

Scott Bond noted that the goal would be to generate an operating surplus from the non- profit aspect of the project. Mr. Cowdell's questions could be addressed later since there is not a lot of information at this time. [8:13:30 PM](#)

Randy Sant mentioned that the theater portion of the development would have nothing to do with the property tax revenues since the theater would be exempt from property taxes based on a 501C3 status. RDA's have made profits for the City in the past. Returns from the project could be determined along with the time it would take to pay the investment back. All calculations would be

based on performance.

Scott Cowdell asked what the resources would be to pay for the theater.

Randy Sant indicated that revenue sources are identified as tax increment generated from the project, as well as naming rights, parking surcharge from ticket sales, and interest invested, all of which would be used to meet the City's commitment of 2.2 million.

Steve Fairbanks stated that he was impressed with the project. The City is fortunate to have a site for this project that is close to I-15. This project will help maintain low property taxes for some time. The City's history with RDA's has generated revenues for the City. The City is as safe with this project as any other project that has come in the past. Some individuals have been surprised with the City's involvement with a lease agreement for the theater, when in fact; it has been on the table from the very beginning. [8:23:54 PM](#)

Dennis Tenney felt this would be an educational process for all parties. He appreciated everyone's input and is very excited for the project. This quality team has the components to make this happen. [8:26:12 PM](#)

Bryant Anderson believes it has been healthy to put these issues on the table for discussion. He emphasized that the developer would be paying to build the project with no public tax dollars. He can't imagine a better arrangement than this. The arts will draw interest from neighboring communities residents, plus provide a place to live which will be a benefit to the City and State. [8:27:19 PM](#)

Stephen Smith questioned why the City would want to operate the theater. If the City is going to pull away from that option, it would only be fair to let the developer know now instead of down the road. [8:30:46 PM](#)

Scott Bond indicated that the City is looking at all options. When things are finalized, the City may not lease the theater. The City would also like to have someone else operate the theater.

Stephen Smith asked the Administration to explain why the City even wants to be involved in the theater.

Mayor Dolan stated that the project will not happen without the theater.

Stephen Smith did not understand why the City is being told that the project won't work without the theater when the theater is less than 10% of the entire investment of the project.

Curits Wolthuis explained that the theater is a critical component to the development since a mixed use project provides a work, live, and play environment located off the freeway. This development will attract Fortune 500 companies which will make the lease rates higher.

Stephen Smith asked once again why the City's participation in the theater was critical to their project. It seems that the project cannot stand on its own if the City is not involved. This seems to elevate the risk of the development. He likes the concept of a theater, but would like to understand why the City should own, operate, or be a driving force.

Curtis Wolthuis stated that the City asked the developer to explore this option from the beginning.

Stephen Smith asked Randy Sant for clarification on the Redevelopment Agency monies that would

be committed to the project.

Randy Sandy stated that a performance based lease would involve increment from all three phases of the project.

Stephen Smith asked how this would be calculated.

Randy Sant stated that a tax increment analysis would be performed based on the developer's commitment to the project. Any participation from the City would also be based on the tax increment. The developer is looking for some participation from the City. Since this is in the preliminary stage, there may be different alternatives that come up.

Linda Martinez Saville felt that this project was similar to ReAL. No one could picture the reality of the stadium until it came to fruition. Keeping the Council updated as the project moves forward will help to answer the Council's questions. [8:41:14 PM](#)

Chris McCandless stated that he has not heard one comment from anyone who believes this project would be a "dumb" idea. He is excited for the project and the theater concept. He believes that the developer is looking for a warm feeling from the City in order to move forward with the project. [8:42:20 PM](#)

Curtis Wolthius stated that they will continue to move through the architectural review process, and are glad to hear that the Council is supportive.

Bryant Anderson stated that RDA money will not be generated unless the project moves forward. The arts are important to the community which provides a valid reason for the City to be involved. He would like to see greater numbers of youth along with other members of the community involved in the arts programs. The City could add a high degree of stability if they were involved.

Mayor Dolan stated that many of the questions and concern raised by the Council have been discussed by the Administration. Each one has a different concern and perspective that could be addressed on an individual basis. The Administration will not press for a project to the Council that they believe will not work. [8:47:45 PM](#)

Scott Cowdell believes the main issue the Council has with this project is communication. Some of the Council have different perspectives that either have or have not been addressed. Hopefully each of the Council will leave the meeting tonight with a much clearer understanding of what is taking place. Not one of the Council members indicated that they are opposed to the project. He stated that he would call for a report every two weeks in Planning Meeting.

5. Increasing Total Appropriations within the General Fund [Cottonwood Tourism Application \$10,000]

Resolution #08- 85 C - increasing total appropriations within the General Fund.

Motion: **Dennis Tenney** made the motion to adopt Resolution #08-85C, increasing total appropriations within the General Fund. [8:50:24 PM](#)

Second: **Steve Fairbanks**

Vote: **Dennis Tenney – Yes, Fairbanks- Yes, Smith- Yes, Anderson- Yes, McCandless-Yes, Saville- Yes, Cowdell-Yes.**

Motion Approved: All in Favor

MINUTES:

6. Approving the September 30, 2008 City Council Meeting Minutes.

Motion: **Steve Fairbanks** made the motion to adopt the September 30, 2008 City Council Meeting Minutes.

Discussion on the motion: **Stephen Smith** asked that the minutes be amended to reflect that Mayor Dolan was absent since the minutes reflect that he was both absent and present.

Second: **Dennis Tenney**

Vote: **The Council responded verbally in the affirmative to the motion.**

7. MAYOR'S REPORT

a. No Report was given

8. CAO'S REPORT [8:51:54 PM](#)

a. Byron Jorgenson reported that a meeting would be held tomorrow, Wednesday, October 1st at 3:00 p.m. to discuss questions related to the opening of the ReAL Soccer Stadium.

b. Byron congratulated the Council on their discussion regarding the Proscenium. He related how difficult it was for the Administration and Council to determine the best location for City Hall and their downtown center. Every major thing that has happened in the City has taken vision, courage, and leadership. This is democracy and leadership in action.

9. COUNCIL OFFICE DIRECTOR'S REPORT

a. No Report was given.

OTHER COUNCIL BUSINESS

a. Chris McCandless stated that he would like to see, as a high priority for funding, a paved trail down the middle of Dimple Dell Park to the Light Rail Station, along with a crossing underneath Dimple Dell at 1300 East. This would keep our children from having to cross dangerous streets.

b. Chris expressed appreciation for the comments John Hlskey made at a candidate's debate and for standing up for what Sandy City has done. [8:57:16 PM](#)

c. Chris would like to see more painted bike lanes throughout the City along with turning the lake at Bell Canyon into an urban fishery. He expressed appreciation to the Parks Department for the new signs that have been placed on the City trail heads. He asked that the language on the Draper Irrigation Trail sign at Hidden Valley Park be softened, and to let people know that this is part of the Bonneville Shoreline Trail.

d. Linda Martinez Saville stated that she received a few calls from residents regarding the ReAL game. Cars were being towed from the old Lowe's parking lot, and the ushers at the stadium were sending people to the wrong sections and seats. She suggested including a map in the program so people can find their own seats. [9:00:38 PM](#)

Randy Sant reported that the old Lowe's site is a private parking lot. The property owner had signs posted indicating that vehicles would be towed. The property owner has contacted ReAL and asked them if they would like to rent the parking lot for future games. ReAL put the property owner in contact with the parking contractor for ReAL to see if a deal can be negotiated.

e. **Bryant Anderson** received a letter from Barbara Newman who won the Mrs. Senior U.S.A. competition. She is requesting a sponsorship from the City to attend Atlantic City for the national competition. She is willing to help offset the costs for the contribution. He asked if the Council would be willing to have staff research her request.

Scott Cowdell asked the Administration to figure some type of quid pro quo to accommodate Mrs. Newman's request. [9:02:01 PM](#)

f. **Scott Cowdell** mentioned the Monroe and 90th South intersection and how crowded it was during the ReAL game. He asked if UDOT could limit construction in the area during game nights. Also, Benson subdivision had cars parked on both sides of the street.

At approximately 9:05p.m., Dennis Tenney made a motion to adjourn Council Meeting, motion seconded by Steve Fairbanks.

The content of the minutes is not intended, nor are they submitted, as a verbatim transcription of the meeting. These minutes are a brief overview of what occurred at the meeting.

Scott Cowdell
Council Chairman

Pam Lehman,
Council Office Manager

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